

Message Text

CONFIDENTIAL

PAGE 01 STATE 002787
ORIGIN EA-02

INFO OCT-01 IO-02 ISO-00 /005 R

66011

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-----070045Z 096723 /70

R 062015Z JAN 77

FM SECSTATE WASHDC

TO USDEL MTN GENEVA

C O N F I D E N T I A L STATE 002787

FOL RPT MANILA 170 ACTION SECSTATE INFO BANGKOK JAKARTA
KUALA LUMPUR SINGAPORE TOKYO USEC BRUSSELS 5 JAN QUOTE

C O N F I D E N T I A L MANILA 170

E O 11652: GDS

TAGS: EGEN ETRD, EINV, ASEAN

SUBJ: US/ASEAN ECONOMIC CONSULTATIONS

REF: STATE 000161

1. WE GREATLY APPRECIATE THE EXTENSIVE AND CAREFULLY
PHRASED GUIDANCE ON THE SUBJECT OF US/ASEAN ECONOMIC CON-
SULTATIONS WHICH HAS BEEN PROVIDED BY REFTEL. WE THINK
IT STATES OUR POSITION SO EFFECTIVELY THAT WE HAVE SANITIZED
IT INTO A TALKING PAPER AND WILL LEAVE IT WITH DFA
NATIONAL SECRETARIAT FOR ASEAN. WE WILL ALSO INFORMALLY
PROVIDE COPY TO INDUSTRY SECRETARY PATERNO WHEN NEW
ECONOMIC COUNSELOR MAKES COURTESY CALL ON HIM WITHIN
NEXT FEW DAYS.

2. WE HAVE MADE ONE MAJOR SUBSTANTIVE DELETION IN OUR
SANITIZATION. WE HAVE OMITTED ALL OF PARAGRAPH FIVE OF
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REFTEL EXCEPT FOR THE SENTENCE QUOTE OUR INTENTION IS
TO DEVOTE US/ASEAN ECONOMIC CONSULTATIONS TO CONSULTATIONS
ON ECONOMIC POLICY ISSUES RATHER THAN TO AID QUESTIONS
UNQUOTE.

3. I AM PERPLEXED BY THE DEPARTMENT'S WILLINGNESS TO
ACCEPT THE DISCUSSION OF SPECIFIC AID PROJECTS IN VIEW

OF THE EARLIER NOTED INTENTION TO FOCUS ON ECONOMIC POLICY ISSUES RATHER THAN AID QUESTIONS. I BELIEVE IT WOULD BE UNWISE FOR US TO SHIFT THE FORUM FOR ASSISTANCE FROM THE CONSORTIUM CONSULTATIVE GROUP MEETINGS TO THE ASEAN ARENA. THE CG MECHANISM IS TRIED AND ACCEPTED, AND FURNISHES AN OPPORTUNITY FOR ALL DONORS TO TAKE A COMPLETE LOOK AT DEVELOPMENTAL AID FOR ONE COUNTRY. THE RECIPIENT COUNTRIES THEMSELVES WOULD LIKELY PERCEIVE THE ADVANTAGES OF THE CG AND THE DISADVANTAGES OF THE ASEAN FORUM. THERE IS ALSO THE QUESTION OF HOW OUR BILATERAL ASSISTANCE APPROACH COULD FIT INTO AN ASEAN CONTEXT.

4. REGARDING THE ASEAN PROJECTS THEMSELVES, WE QUESTION WHETHER THESE ARE APPROPRIATE AREAS FOR OUR ECONOMIC ASSISTANCE PROGRAMS. THE PROJECTS ARE STATIST IN CONCEPT, PERMIT LITTLE OR NO FOREIGN EQUITY PARTICIPATION, AND LABOR UNDER A COMPLICATED EQUITY STRUCTURE (60 PERCENT HOST COUNTRY, 10 PERCENT FOR EACH OF THE OTHER FOUR). WE SHOULD NOT FOSTER THE DEVELOPMENT OF INDUSTRIAL PROJECTS UNLESS THEY ARE ECONOMICALLY VIABLE, IN WHICH CASE TRADITIONAL FINANCIAL (E.G., EXIMBANK, PRIVATE CREDITS) AND INVESTMENT CHANNELS ARE OPEN.

5. REALISTICALLY, WE HAVE TO EXPECT THAT ASEAN MAY WISH TO PROPOSE SPECIFIC AID PROJECTS AS PART OF THE AGENDA. HOWEVER, I FEEL THAT OUR REACTION TO SUCH PROPOSALS SHOULD BE DELIBERATELY NEGATIVE, AND THAT WE SHOULD FIRMLY ADVISE THE ASEAN INTERLOCUTORS THAT WE WISH TO CONTINUE TO DISCUSS AID
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REQUESTS IN THE CONTEXT OF THE VARIOUS CONSULTATIVE GROUPS. THIS APPROACH WOULD NOT REPEAT NOT NEGATE THE POSSIBILITY THAT WE MIGHT RENDER ASSISTANCE, FOR EXAMPLE, TO THE INDONESIAN, THAI, OR PHILIPPINE COMPONENTS OF THE FIVE ASEAN PROJECTS. BUT IT WOULD, ON THE OTHER HAND, ELIMINATE THE POSSIBILITY OF BEGINNING AN AID PROGRAM FOR SINGAPORE UNDER THE AEGIS OF ASEAN. IT IS, IN MY JUDGMENT, EXTREMELY IMPORTANT THAT WE DISCUSS THIS FEATURE OF OUR ASEAN APPROACH WITH JAPAN AND THE EC, IN THE FULL REALIZATION THAT ANY PRECEDENT WE MAY SET ON DISCUSSING AID FOR ASEAN WILL HAVE MAJOR IMPLICATIONS FOR THEIR APPROACHES TO THIS SAME SUBJECT.
SULLIVAN

UNQUOTE KISSINGER

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PAGE 01 STATE 002787
ORIGIN EA-04

INFO OCT-01 ISO-00 /005 R

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APPROVED BY EA/EP:AGEBER

-----150558Z 043071 /21

R 150050Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY CANBERRA
AMEMBASSY WELLINGTON

C O N F I D E N T I A L STATE 002787

E.O. 11652: GDS

TAGS: EGEN, ETRD, EINV, ASEAN

SUBJECT: US/ASEAN ECONOMIC CONSULTATIONS

FOLLOWING IS A REPEAT
QUOTE

R 062015Z JAN 77
FM SECSTATE WASHDC
TO USDEL MTN GENEVA

CONFIDENTIAL STATE 002787

FOL RPT MANILA 170 ACTION SECSTATE INFO BANGKOK,JAKARTA,
KUALA LUMPUR, SINGAPORE, TOKYO, USEC BRUSSELS 5 JAN QUOTE

CONFIDENTIAL MANILA 170

E.O. 11652: GDS

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1. WE GREATLY APPRECIATE THE EXTENSIVE AND CAREFULLY PHRASED GUIDANCE ON THE SUBJECT OF US/ASEAN ECONOMIC CONSULTATIONS WHICH HAS BEEN PROVIDED BY REFTEL. WE THINK IT STATES OUR POSITION SO EFFECTIVELY THAT WE HAVE SANITIZED IT INTO A TALKING PAPER AND WILL LEAVE IT WITH DFA NATIONAL SECRETARIAT FOR ASEAN. WE WILL ALSO INFORMALLY PROVIDE COPY TO INDUSTRY SECRETARY PATERNO

WHEN NEW ECONOMIC COUNSELOR MAKES COURTESY CALL ON HIM WITHIN NEXT FEW DAYS.

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3. I AM PERPLEXED BY THE DEPARTMENT'S WILLINGNESS TO ACCEPT THE DISCUSSION OF SPECIFIC AID PROJECTS IN VIEW OF THE EARLIER NOTED INTENTION TO FOCUS ON ECONOMIC POLICY ISSUES RATHER THAN AID QUESTIONS. I BELIEVE IT WOULD BE UNWISE FOR US TO SHIFT THE FORUM FOR ASSISTANCE FROM THE CONSORTIUM CONSULTATIVE GROUP MEETING TO THE ASEAN ARENA. THE CG MECHANISM IS TRIED AND ACCEPTED, AND FURNISHES AN OPPORTUNITY FOR ALL DONORS TO TAKE A COMPLETE LOOK AT DEVELOPMENTAL AID FOR ONE COUNTRY. THE RECIPIENT COUNTRIES THEMSELVES WOULD LIKELY PERCEIVE THE ADVANTAGES OF THE CG AND THE DISADVANTAGES OF THE ASEAN FORUM. THERE IS ALSO THE QUESTION OF HOW OUR BILATERAL ASSISTANCE APPROACH COULD FIT INTO AN ASEAN CONTEXT.

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4. REGARDING THE ASEAN PROJECTS THEMSELVES, WE QUESTION WHETHER THESE ARE APPROPRIATE AREAS FOR OUR ECONOMIC ASSISTANCE PROGRAMS. THE PROJECTS ARE STATIST IN CONCEPT, PERMIT LITTLE OR NO FOREIGN EQUITY PARTICIPATION, AND LABOR UNDER A COMPLICATED EQUITY STRUCTURE (60 PERCENT HOST COUNTRY, 10 PERCENT FOR EACH OF THE OTHER FOUR). WE SHOULD NOT FOSTER THE DEVELOPMENT OF INDUSTRIAL PROJECTS UNLESS THEY ARE ECONOMICALLY VIABLE, IN WHICH CASE TRADITIONAL FINANCIAL (E.G., EXIMBANK, PRIVATE CREDITS) AND INVESTMENT CHANNELS ARE OPEN.

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HARTMAN

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
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Original Handling Restrictions: n/a
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Status: NATIVE
Subject: US/ASEAN ECONOMIC CONSULTATIONS
TAGS: EGEN, ETRD, EINV, ASEAN
To: MTN GENEVA
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Declassified/Released
US Department of State
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